

# **Exhibit C**

UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK

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SECURITIES INVESTOR PROTECTION  
CORPORATION,

Plaintiff-Applicant,

-against-

BERNARD L. MADOFF INVESTMENT  
SECURITIES LLC,

Defendant.  
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Adversary Proceeding

No. 08-01789-JMP

**STATEMENT IN SUPPORT OF CUSTOMER CLAIMS ASSERTED  
FOR FUNDS AND SECURITIES HELD IN THE OMNIBUS ACCOUNT ENTITLED  
“WESTPORT NATIONAL BANK, ACCOUNT NUMBER 1-W0106-3-0” AT  
BERNARD L. MADOFF SECURITIES LLC**

Pursuant to this Court’s Order dated December 23, 2008 specifying the procedures for filing, determination, and adjudication of claims [Docket No. 12] (the “Bar Date Order”) Westport National Bank, a division of Connecticut Community Bank, N.A., solely as custodian (“WNB”), hereby files this informational statement in support of customer claims for their funds and securities held in an omnibus customer account at Bernard L. Madoff Investment Securities LLC (“BLMIS”) entitled “Westport National Bank, Account Number 1-W0106-3-0”. WNB does not own or assert a beneficial claim to any funds or securities deposited or held in the omnibus account and files this informational statement solely to assist the BLMIS customers, who do in fact beneficially own those assets, to make appropriate claims against BLMIS’s estate. In support of its statement WNB respectfully states as follows:

1. **The Omnibus Customer Account at BLMIS Administered by WNB.** WNB is a division of Connecticut Community Bank, N.A. a nationally chartered bank with a principal place of business at 1495 Post Road East, Westport, CT 06880. Upon information and belief, PSCCI Services, Inc. ("**PSCCI**") is a pension consulting and actuarial firm with a principal place of business at 1175 Post Road East, Westport, CT 06880.
2. In or about July 1999, WNB succeeded another financial institution, Hudson United Bank ("**Hudson**"), as the custodian of funds and securities previously invested in an omnibus customer account at BLMIS by certain pre-existing customers of PSCCI and BLMIS. Upon WNB's replacement of Hudson as custodian for this omnibus account, the account at BLMIS was entitled: "**Westport National Bank, Account Number 1-W0106-3-0**" (the "**WNB Omnibus Customer Account**").
3. Upon information and belief, all of these pre-existing PSCCI and BLMIS clients (together with subsequent PSCCI and BLMIS clients, referred by PSCCI to WNB, the "**Principals**") consisted either of: (a) trustees ("**Plan Trustees**") of tax-qualified employee benefit plans ("**Plans**") or (b) owners ("**IRA Owners**") of individual retirement accounts ("**IRA's**").
4. WNB serves solely in a limited ministerial capacity as custodian for the WNB Omnibus Account. Specifically, WNB did not invest any of its own assets with BLMIS and all of the funds and securities held by BLMIS in the WNB Omnibus Customer Account are owned exclusively by the Principals. Instead, WNB's duties as successor custodian with respect to the WNB Omnibus Customer Account were restricted by its custodial agreements with the Principals ("**Custodian Agreements**") to: (a) maintaining internal records and performing the sub-accounting for the Principals necessary to keep track of the actual ownership of the assets

held in the WNB Omnibus Customer Account, and (b) transmitting funds back and forth between the Principals and BLMIS solely in accordance with the express instructions of the Principals. In the Custodian Agreements, each Principal also specifically acknowledged and directed that: (a) WNB had no investment discretion over the assets in the WNB Omnibus Customer Account, (b) any funds received by WNB as custodian would be held by WNB and transmitted to BLMIS for investment by BLMIS together with funds of other persons or entities for whom WNB also serves as custodian; and (c) the WNB Omnibus Customer Account would be under the name of WNB.<sup>1</sup>

5. **Ownership of the Funds and Securities Held in the WNB Omnibus Customer**

**Account.** Although accounted for as a single omnibus account as far as BLMIS was concerned, all of the funds and securities in the WNB Omnibus Customer Account at BLMIS are owned separately by the Principals, and not WNB. For the avoidance of doubt, WNB does not control or beneficially own, or assert a beneficial claim to or any interest in, any of the assets deposited or held in the WNB Omnibus Account.<sup>2</sup> WNB is making this informational filing solely to assist the Principals, who do beneficially own the securities and funds held by BLMIS in the WNB Omnibus Account, to make appropriate claims in accordance with the Bar Date Order.

6. **WNB'S Subaccounting for the Assets Held in the WNB Omnibus Customer**

**Account.** The WNB Omnibus Account was created solely for the administrative convenience of

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<sup>1</sup> In addition, in the Custodian Agreements, each Principal specifically acknowledged and agreed that: (a) the Principal, and not WNB, had chosen BLMIS to receive and to invest the Principal's funds and that the Principal had not relied on WNB in choosing to give BLMIS full discretionary authority to invest their funds; (b) WNB had no authority or ability to direct or oversee in any manner the discretionary investments made by BLMIS on behalf of the Principal; (c) WNB was acting solely in a "ministerial" capacity; and (d) WNB assumed no responsibility whatsoever for the investment performance of BLMIS.

<sup>2</sup> To the extent that there are customer name securities in the WNB Omnibus Customer Account held in the name of "Westport National Bank, N.A.," WNB holds such securities solely as custodian for the Principals.

the Principals and BLMIS. In order to perform the accounting on its own books and records necessary to track the individual ownership of securities and other assets reported by BLMIS to be held in the WNB Omnibus Account, WNB used an accounting system that described each Principal's fractional share in the securities and funds purportedly held in the omnibus account as "units" in the account. In accordance with the methodology established by the predecessor custodian, each Principal's interest in any funds and securities in the WNB Omnibus Account was equal to the total number of units divided by the number of units shown for such Principal. In addition, WNB continued the practice of maintaining two internal subaccounts for assets held by: (a) Plan Trustees (BLM Fund #1) and (b) by IRA Owners (BLM Fund #2) in the WNB Omnibus Customer Account.

7. **Documents Provided to WNB's Principals In Connection With This Proceedings.**

To assist the Principals in making appropriate claims for the funds and securities held in the WNB Omnibus Account, WNB has provided each Principal with the following:

- An account statement for the WNB Omnibus Customer Account prepared by BLMIS which purports to identify all securities positions and money balances in the account as of November 30, 2008 (the "Final BLMIS Statement"), the last account statement or other communication received by WNB from BLMIS;
- Purchase and sale confirmations that WNB received from BLMIS that purport to document trades for the securities identified on the Final BLMIS Statement (the "Final Statement Confirmations"); and
- An Individual Customer Account Statement prepared by WNB that specifically identifies each Principal's interest in the securities and cash balances purportedly held by BLMIS and identified in the Final BLMIS Statement.

To assist the SIPA Trustee in processing claims expected to be made by each of the Principals, copies of the Final BLMIS Statement and the Final Statement Confirmations are attached hereto as Exhibit A and B, respectively.

8. **Additional Documentation.** The documents in WNB's custody that memorialize all of the transactions which occurred in the WNB Omnibus Customer Account since WNB succeeded Hudson in 1999 are voluminous. Those documents are available upon written request to:

Westport National Bank, as Custodian  
1495 Post Road East  
Westport, CT 06880  
Attention: Dennis Clark

**WESTPORT NATIONAL BANK, A DIVISION OF  
CONNECTICUT COMMUNITY BANK, N.A.,  
SOLELY AS SUCCESSOR CUSTODIAN**

Dated: Westport, Connecticut  
January \_\_, 2008

By: \_\_\_\_\_  
Richard T. Cummings, Jr.,  
President